

Exhibit 1

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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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JATIN CHOPRA, Individually and
On Behalf of All Others
Similarly Situated,
Plaintiffs,

v.

21 Civ. 5807 (LAK)

DIDI GLOBAL INC. F/K/A XIAOJU
KUAIZHI INC., WILL WEI CHENG,
ALAN YUE ZHUO, JEAN QING LIU,
STEPHEN JINGSHI ZHU, ZHIYI
CHEN, MARTIN CHI PING LAU,
KENTARO MATSUI, ADRIA PERICA,
DANIEL YONG ZHANG, GOLDMAN
SACHS (ASIA) L.L.C., MORGAN
SECURITIES LLC, BOFA
SECURITIES, INC., BARCLAYS
CAPITAL INC., CHINA
RENAISSANCE SECURITIES (HONG
KONG) LIMITED, CHINA
INTERNATIONAL CAPITAL
CORPORATION HONG KONG
SECURITIES LIMITED, CITIGROUP
GLOBAL MARKETS INC., GUOTAI
JUNAN SECURITIES (HONG KONG)
LIMITED, HSBC SECURITIES (USA)
INC., UBS SECURITIES LLC, BOCI
ASIA LIMITED, BOCOM
INTERNATIONAL SECURITIES
LIMITED, CCB INTERNATIONAL
CAPITAL LIMITED, CLSA LIMITED,
CMB INTERNATIONAL CAPITAL
LIMITED, FUTU INC., ICBC
INTERNATIONAL SECURITIES
LIMITED, MIZUHO SECURITIES USA
LLC, AND TIGER BROKERS (NZ)
LIMITED,

Defendants.

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New York, N.Y.
May 22, 2024
10:30 a.m.

Before:

HON. LEWIS A. KAPLAN,

District Judge

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APPEARANCES

THE ROSEN LAW FIRM PA
Attorneys for Plaintiffs

BY: LAURENCE ROSEN
DANIEL TYRE-KARP

SKADDEN ARPS SLATE MEAGHER & FLOM LLP
Attorneys for Defendants Didi Global Inc., Will Wei Cheng,
Alan Yue Zhuo, Jean Qing Liu, Stephen Jingshi Zhu, Adria
Perica

BY: ROBERT FUMERTON
-and-

QUINN EMANUEL URQUHART & SULLIVAN LLP
BY: RENITA SHARMA

O'MELVENY & MYERS LLP
Attorneys for Defendants Certain Underwriters
BY: ABBY F. RUDZIN

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1 (Case called)

2 MR. ROSEN: Lawrence Rosen from the Rosen Law Firm. I
3 have with me Daniel Tyre-Karp from the Rosen Law Firm.

4 THE COURT: Thank you.

5 MR. FUMERTON: Good morning, your Honor. Robert
6 Fumerton, Skadden Arps, for defendant Didi and certain
7 individuals. I'm joined by my colleagues Michael Griffin,
8 Maisie Wilson, and Jew did Flumenbaum.

9 THE COURT: Good morning.

10 MR. FUMERTON: Good morning.

11 THE COURT: Ms. Flumenbaum I know, right?

12 MS. FLUMENBAUM: Yes.

13 THE COURT: Ms. Flumenbaum's father was one of my
14 partners and a friend. In my view, it's not a ground for
15 recusal, but if anybody has another view, you want to make that
16 view known promptly, and then I'll rule on it.

17 Next. Anybody else?

18 MS. SHARMA: Renita Sharma from Quinn Emanuel, also
19 for --

20 THE COURT: I'm sorry. My listening apparatus doesn't
21 go as fast as your speech.

22 MS. SHARMA: I'm sorry, your Honor. Renita Sharma
23 from Quinn Emanuel, also for Didi and certain of the
24 individuals.

25 MS. RUDZIN: Good morning, your Honor. Abby Rudzin

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1 from O'Melveny & Myers for the underwriter defendants.

2 THE COURT: Good morning.

3 Folks, I called you in because I read this proposed
4 scheduling order, and I had the feeling you were going to issue
5 bonds pursuant to it. I have never seen one like this and I
6 don't think I'm going to start by signing one now.

7 I don't, for the life of me, see why this case can't
8 be trial ready within 12 months. If anybody seriously
9 disagrees with that, you have now got to tell me that and tell
10 me why.

11 MR. FUMERTON: Your Honor, we're going to do
12 everything we can to expedite and streamline document
13 discovery. As your Honor is aware, we think the majority of
14 documents, the relevant documents are located in the PRC in
15 accordance with PRC data privacy laws. PRC counsel has to
16 review this material before U.S. lawyers can even see it, and
17 that injects a layer of time.

18 There's also some uncertainty with providing the
19 materials to local regulators for approval for production,
20 which we're dealing with in several other cases, including with
21 Mr. Rosen. We're actually going across the river this
22 afternoon in the Neo case before Judge Garaufis where we're
23 dealing with a lot of these PRC discovery issues.

24 So we hope to work together with Mr. Rosen like we're
25 doing in that case to streamline and get discovery done as

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1 quickly as possible. We haven't gotten a single document
2 request yet, but it will take additional time beyond the time
3 that's normally required where the documents are located purely
4 in the U.S. We'd like to put that marker down and if we need
5 more time, we'll come back to the Court.

6 THE COURT: I understand that, but you also need to
7 understand, and I think I've had occasion to write on this
8 previously, that is the U.S. rules that apply. If a foreign
9 party invokes blocking statutes and the like, it will not stop
10 me from ordering discovery and a timetable that suits the needs
11 of this case in this court.

12 MR. FUMERTON: Your Honor, we completely understand.
13 Defendants are not objecting to production based on any
14 blocking statutes or foreign statutes. We're simply asking the
15 Court for a little bit more time because, again, there's
16 another layer of review, the documents are in Chinese for the
17 most part. It just takes more time than it takes when the
18 documents are all here.

19 THE COURT: I understand that. So what's your
20 proposal?

21 MR. FUMERTON: Well, we were in agreement with
22 plaintiffs to try to complete fact discovery by October of
23 2025. So a little over a year from now.

24 THE COURT: Okay. And then what?

25 MR. FUMERTON: Your Honor, then we would have a period

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1 of time for expert discovery, dispositive motions, and we would
2 expect to be trial ready after the Court has had an opportunity
3 to rule on dispositive motions.

4 THE COURT: Why can't you serve your expert reports by
5 October 2025?

6 MR. FUMERTON: Your Honor, I think we can -- I think
7 we can take that back. I think the idea was to have some
8 period of time after of close of fact discovery. We've agreed
9 with plaintiffs on 60 days, but if your Honor wants to cut that
10 back or wants to be on the same day, we can certainly consider
11 that.

12 THE COURT: What sort of experts do you anticipate,
13 other than damages? I understand there will be damage experts,
14 but what other kind of expert discovery?

15 MS. RUDZIN: Your Honor, as to the experts, I expect
16 we'll have an expert on the underwriters' due diligence, and
17 that would, of course, require that expert to have access to
18 all the depositions, which might not take place until the
19 waning weeks of the discovery period.

20 THE COURT: And why can't you front-end load that?

21 MS. RUDZIN: It's up to the plaintiff when they notice
22 the depositions of our people.

23 THE COURT: Well, why don't you address that. Thank
24 you.

25 MR. ROSEN: Yes, your Honor. So, we actually have

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1 issued 30(b)(6) deposition notices already. As far as taking
2 depositions, we need the documents. Today is the date we said
3 we would send document requests to the defendants, and we will.

4 As far as us taking depositions, we will need to get
5 the documents, translate them -- it takes a least a month to
6 translate them from Chinese to English -- then a first-level
7 review of them and then -- so, our position is we can complete
8 discovery within six months of full production of the
9 documents. So we just need six months to review them,
10 translate them, review them, and then take depositions.

11 THE COURT: Let me come back to you. A due diligence
12 expert would testify to what?

13 MS. RUDZIN: Would explain the standards of care for
14 underwriters and what type of diligence and tasks they go
15 through to make sure they are comfortable with what's in the
16 registration statement. Almost like an industry expert, but
17 more on like the --

18 THE COURT: Almost like jury instructions.

19 MS. RUDZIN: I don't think jurors know how investment
20 bankers conduct diligence.

21 THE COURT: I suppose that's right. What due
22 diligence means is a legal issue, yes?

23 MS. RUDZIN: I think what is a reasonable standard of
24 care for an underwriter is a fact issue.

25 THE COURT: The statute defines, perhaps not the way

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1 you or I would have written it, but defines in due diligence.
2 And why is this any different than saying, in an automobile
3 negligence case, that you need an expert on what the standard
4 of care is for driving an automobile on the New York Thruway
5 where the key issue is speed?

6 MS. RUDZIN: Because driving is something that the
7 ordinary average juror has experience with and knows what it
8 means. The average juror does not know what it means to be an
9 underwriter, to be an investment banker, to review documents,
10 things like that. That's why there are actual experts on this
11 who can explain to the jury what's typically done by
12 underwriters to conduct their due diligence. It's not within
13 the purview of the average juror about how to go about
14 undertaking an IPO.

15 THE COURT: Well, let me then just back up for a
16 minute. I understand your point. I'm not sure I ultimately
17 agree that you're directly getting at what I'm asking you
18 because, obviously, it's true that I can see an expert who
19 explains what the underwriting process is and how it's done.
20 But you were, a moment ago, talking about an expert on the
21 standards of care, and that to me is something else. I could
22 see an expert explaining what is involved in doing due
23 diligence, but the question of whether what's involved in doing
24 due diligence, if it's done, actually amounts to due diligence
25 as a matter of law I see as a different question. But this is

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1 for another day.

2 MS. RUDZIN: I don't disagree, your Honor. If I was
3 inartful in how I explained it, I apologize. The expert will
4 go to the ultimate issue, but I do think there is some value in
5 having the expert explain to the jury what the underwriters do.

6 THE COURT: Obviously, that's for another day. I
7 imagine also that there could well be an argument about the
8 underwriters who did the due diligence explaining what they
9 did. Then the question of whether that satisfies due
10 diligence, it seems, may wind up just being for the jury. But
11 let's get down the road.

12 If the expert you're talking about is on how folks
13 like your clients go about doing due diligence and what it is,
14 do you need any Chinese documents for that?

15 MS. RUDZIN: You're really putting me on the spot
16 here.

17 THE COURT: Well, I'm doing my best.

18 MS. RUDZIN: So, certainly, no. And I thought you
19 were going to go in a different direction, which is, do they
20 need to hear the testimony of your underwriters if they're
21 supposed to be talking in an objective sense about what they
22 do.

23 THE COURT: That's also a good point. Sorry I didn't
24 make it.

25 MS. RUDZIN: But I just think, and this is all, you

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1 know, we haven't even had document requests yet. I think it's
2 fair to give us the opportunity to have an expert review the
3 record before we make decisions about what exactly the expert
4 will say or, to your point, whether the expert will need to be
5 called if the underwriters themselves testify about what a
6 great job they did.

7 THE COURT: Are the underwriters all Americans or --

8 MS. RUDZIN: No, they're not. That was the other
9 thing I was going to make about the Chinese documents --

10 THE COURT: Well, where are they?

11 MS. RUDZIN: In Hong Kong, I think. Some might
12 actually be on mainland China, but I think most of them are in
13 Hong Kong.

14 THE COURT: Can they get out of China?

15 MS. RUDZIN: I assume so. I don't know.

16 But the other point is there might be --

17 THE COURT: So their depositions could be taken.

18 MS. RUDZIN: Yes. I don't think we've objected to any
19 depositions yet.

20 I do just want to make the point, though, to your
21 question about the Chinese documents, is there might be -- I'm
22 not saying there are, but there might be nuances to
23 underwriting a Chinese company where you have language issues
24 and government issues --

25 THE COURT: That's been suggested before.

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1 MS. RUDZIN: So, I'm just saying that might be
2 slightly different testimony.

3 THE COURT: I don't think anybody ever called it
4 "nuances."

5 MS. RUDZIN: I'm just saying the sort of expert
6 explanation of the underwriting process and the diligence
7 process might differ slightly with the Chinese issuer than it
8 would with a U.S. issuer. So the Chinese documents might
9 matter, is all I'm saying.

10 THE COURT: Look, I haven't decided any of these
11 questions and I may never have to. All I'm saying is it seems
12 to me unlikely that any delays in document discovery as a
13 result of whatever goes on in China are likely to be critical
14 to your being able to retain and tender for deposition an
15 underwriting expert. So I offer that for your consideration.
16 If you want such an expert, it might be sensible to try to
17 pursue that course at the earliest time so that you don't wind
18 up getting caught in the switches at the end.

19 MS. RUDZIN: Fair enough, your Honor. And just to be
20 clear, I think the parties were talking about a single date for
21 all expert reports. So it's not like the underwriters would be
22 dragging behind or anything like that.

23 THE COURT: Well, no, I understand that. The fact
24 that you were talking about a single date for all experts
25 doesn't mean that has to happen.

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1 MS. RUDZIN: Agreed, Judge.

2 THE COURT: What else do I need to know about before I
3 decide what the schedule's going to be? Any of these disputes
4 that are laid out in your proposal?

5 MR. FUMERTON: Your Honor, I think the only other
6 dispute concerns a number of depositions, which we think is
7 entirely premature. Plaintiffs haven't told us who they want
8 to depose yet in this document, they want relief from the
9 Court, the 10-deposition limit in Rule 31 and Rule 30 without
10 any showing of good cause, we're prepared to work with
11 plaintiffs, meet and confer once we see a list of who they want
12 to depose, and hopefully we can work it out on our own, but if
13 not, we'll come back to your Honor. But, to agree to a limit
14 of 20 to 30 depositions of 14 hours each in here, we just don't
15 think it's a reasonable way to proceed.

16 THE COURT: Well, that's certainly not a necessary way
17 to proceed.

18 Is the usual mediation that always happens in these
19 cases in view?

20 MR. ROSEN: Your Honor, there hasn't been any
21 discussion of mediation or settlement or anything like that at
22 this stage.

23 THE COURT: But we all know there will be.

24 MR. ROSEN: Yes, your Honor.

25 THE COURT: We also know who the mediator is going to

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1 be, don't we?

2 MR. ROSEN: Yeah, there's a short list of maybe five
3 or seven mediators.

4 THE COURT: I didn't think it was that large.

5 MR. ROSEN: It's probably closer to four, but yeah. I
6 think we will head in that direction. I think right now, we
7 have -- I think it's important to get some evidence to have
8 some understanding of the strength of the claims and of the
9 evidence because, without any documentation, it's hard to
10 really understand the value of the case. So that would be our
11 preference, would be to get some documents in order to make a
12 reasoned decision to see what the value of the case is.

13 THE COURT: Look, I don't mean to oversimplify, but I
14 do mean to simplify. We all know what this case is about, and
15 you ought to be exchanging information and talking about what
16 the facts really are and getting to the key documents promptly
17 so that you can move toward a disposition without funding
18 trusts for the college educations of all the offspring of all
19 the lawyers. These things take on a life of their own and I
20 suggest that's not a good thing.

21 MR. ROSEN: Yes, your Honor, I agree. I think that we
22 did notice the 30(b)(6), which is going to give us a lot of
23 information up front and allow us to target the depositions. I
24 think that if we can get some documents or some understanding
25 of what exactly happened, that would go a long way to resolving

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1 the case earlier. I think that starting with the 30(b)(6) and
2 have it by a date by which the documents will be produced, I
3 mean, certainly, the underwriters have all the due diligence
4 documents easily producible and available, well organized
5 already. So that should be simple enough.

6 While a lot happened in this case, this is, at bottom,
7 the government relations department at Didi, and they're going
8 to have a log with all their interactions with the government,
9 and getting sort of the -- those essential documents, I think,
10 shouldn't be too difficult. If we can get those, then that
11 would, I think, go a long way to getting this thing resolved
12 very early.

13 THE COURT: Thank you.

14 How about that, Mr. Fumerton.

15 MR. FUMERTON: Your Honor, with respect to the
16 30(b)(6), plaintiffs served a list of over 50 topics a couple
17 weeks ago. This issue is not ripe before the Court. We'll
18 meet and confer with plaintiffs. A lot of the issues go to the
19 merits and substance of the case. That should await document
20 production. I mean, they ask for things like a minute-by-minute
21 account of the substance of the written oral communications
22 between Didi and various governmental agencies. Your Honor, we
23 need to prepare a witness to do that. To do that before the
24 parties have produced documents or even had a single document
25 request we think isn't an efficient way to proceed, but we hope

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1 to resolve those issues with plaintiffs. And again, if we
2 can't, we'll come back to your Honor.

3 THE COURT: Well, I highly recommend that you resolve
4 them in a practical and expeditious way because I don't like
5 just extending things until the 12th of never, and you
6 shouldn't count on my doing that as this moves along.

7 MR. FUMERTON: Agreed, your Honor. And as we've done
8 with Mr. Rosen in past cases, we've had our respective PRC
9 counsels work together to identify the appropriate governmental
10 authorities, to streamline those applications, and we would
11 hope that Mr. Rosen will do that again, again, so we can get
12 the document productions done as quickly as possible, which is
13 what we want, as well.

14 THE COURT: I will reflect on what you've told me this
15 morning and I will issue a scheduling order probably next week,
16 which is not going to be as loosey-goosey as you would like.

17 Anything else I should know?

18 (Pause)

19 All right. Thank you.

20 * * *